

Village of Grosse Pointe Shores Application for Poverty Exemption **For 2022**

GUIDELINES AND INSTRUCTIONS FOR POVERTY EXEMPTION

- If granted an exemption, it is for the current year only. The Poverty exemption is intended to be a temporary form of assistance.
- Per, MCL 211.7u(3), the application for consideration must be received by the Assessor's Office at least one day prior to the last session of the Board of Review. Board of Review dates are posted annually and may also be found at www.gpshoresmi.gov or by calling (313) 885-6565. This application can be made by mail, if received one day prior to the last session of the Board of Review.
- The application must be filled out in its entirety and all requested documentation must be attached. If an area does not apply to the applicant, "N/A" must be used. If the application is not complete or requested documentation is not included, the Board of Review will deny the exemption. All pages included with this application must be returned when the application is submitted for review.
- Per MCL 211.7u(7), a person who files a claim for Poverty exemption IS NOT prohibited from also appealing the assessment on the property to the Board of Review in the same year.

Required Documentation to be Attached to Poverty Exemption Application

- Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence must be included with the application including any property tax credit returns. The tax returns may be from the current or preceding tax year. **If any person in the household is not required to file federal or state tax returns, the included affidavit, form 4988, must be completed by each person that does not file taxes.**
- The most recent statement for all bank accounts, investments, IRAs, CDs, 401Ks, money market, annuities, etc. The statement submitted must be complete with no missing pages and submitted for all persons residing in the home.
- Proof of income/assets from the Social Security Administration, Veterans Administration, Medicare, Medicaid, Bridge Card, and any College/University scholarships for all persons residing in the home.
- The most recent mortgage statement of the primary residence under review, including any reverse mortgages.
- If primary residence being sought for exemption was purchased within the past two years of this application, homeowner's closing statements must be submitted with application.

Common Reasons for Denial of Poverty Exemption Application

Below are common reasons (but not an exhaustive list) of why a claim for Poverty Exemption is denied:

- Failure to fill out all areas of the application, including "N/A" in areas not applicable to the applicant or signing the application.
- Failure to include State and Federal Income taxes or property tax credit returns for current or one preceding year for all persons residing in the home. **Please note that the property tax credit returns are required to be filed with this application. Property tax credit returns (such as Michigan 1040CR) can still be filed with the State of Michigan even if the applicant does not file income taxes.**
- Failure to include complete banking/investment account and mortgage statements for all persons residing in the home. All pages must be submitted.

INCOME GUIDELINES FOR POVERTY EXEMPTION

This amount published annually by the US Dept. of Health and Human Services

** Per Michigan State Tax Commission Bulletin number 17 of 2021,
"Procedural changes for 2022," November 16, 2022*

<u>Number in Family</u>	<u>Income</u>	
1 member	\$ 12,880	-
2 members	\$ 17,420	
3 members	\$ 21,960	
4 members	\$ 26,500	
5 members	\$ 31,040	
6 members	\$ 35,580	
7 members	\$ 40,120	
8 members	\$ 44,660	
For each additional person	\$ 4,540	

According to the US Census Bureau, "income" includes:

- Money, wages, and salaries before any deductions
- Net receipts from non-farm self-employment. (These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.)
- Net receipts from farm self-employment. (The same provisions as above for self-employment.)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

ASSET LEVEL GUIDELINES FOR POVERTY EXEMPTION

The Asset Level does not include the primary residence for which exemption is being sought. It does include, but is not limited to:

- A second home, additional land not associated with the primary residence, or other buildings other than the primary residence being sought for exemption.
- Vehicles and other recreational vehicles such as motor homes, campers, ATVs, boats, and motorcycles.
- Jewelry, antiques, artwork, equipment, and other personal property of value.
- Bank accounts, stocks, bonds, and investments. This also includes the money received from the sale of stocks, bonds, investments, cars, and houses unless a person is in the specific business of selling such property.
- Withdrawals of bank accounts and borrowed money.
- Gifts, loans, lump-sum inheritances, and one-time insurance payments.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, and school lunches.
- The total interest income in all accounts (checking, savings, CDs, IRAs, 401Ks, money market, annuities, etc.)
- The applicant shall not have ownership interest in any real estate other than the primary residence being considered for exemption.

Maximum total allowed assets, including amounts in banking/investment accounts may not exceed the amount of the federal poverty guideline for the number of persons in the household. See above for what is considered an asset.

<p>a. Taxable value on roll _____ \$ _____</p> <p>b. Number of people in household _____</p> <p>c. Total household income from information provided _____ \$ _____</p> <p>d. Income limit based on number of people in household as established by guidelines _____ \$ _____</p> <p>e. Total assets of household _____ \$ _____</p> <p>f. Does applicant meet all asset and income guidelines as established? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>g. If yes, multiply line "a" by 50% (0.50) _____ \$ _____</p> <p>_____ Appeal Denied</p> <p>_____ Reduction Granted</p> <p>_____ 1. Does not qualify based on guidelines</p> <p>_____ 2. Application not complete, missing information</p> <p>_____ 3. Did not furnish proper documentation</p> <p>_____ 4. Other: _____</p> <p>_____</p> <p>_____</p>	<p>If no, reason must be provided by the Board of Review below.</p> <p><u>Taxable Value</u></p> <p>As on Roll \$ _____</p> <p>Revised \$ _____</p>
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Initials of Board Members: _____ Date: _____

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date